



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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26 FEBRUARY 1966

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1. South Vietnam

The Saigon Embassy says that the South Vietnamese economic situation has reached the critical stage and notes that the Ky government so far has been unable to adopt the recovery measures discussed since December and also at Honolulu. One of the most disturbing factors is the black market currency rate, which has jumped about 30 percent over the past six months.

2. Indonesia

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3. Syria

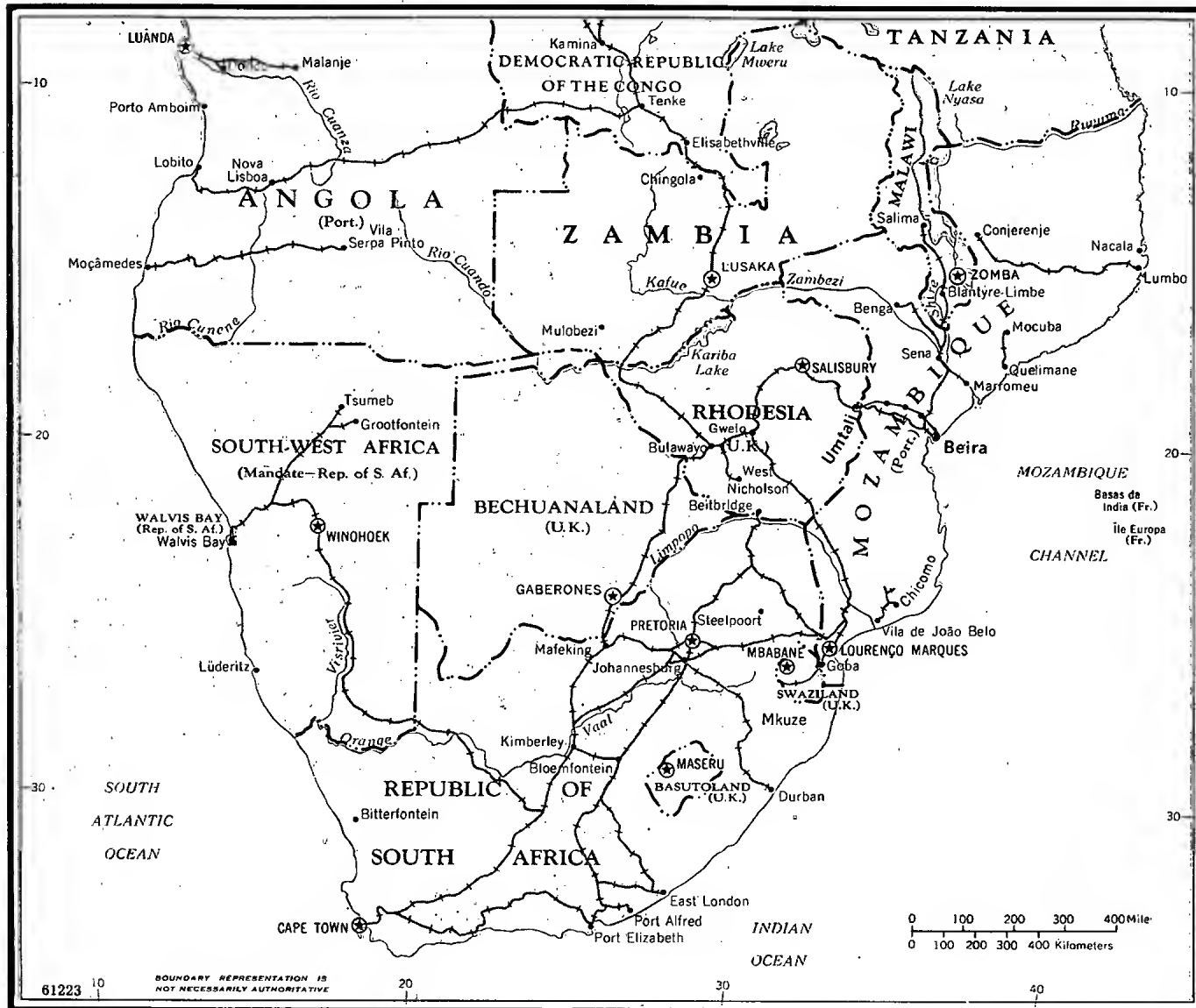
The leaders of Wednesday's coup have installed a government which promises to be no more effective or stable than its recent predecessors. It is headed by the same colorless wheel horses of the divided Baath party who were ousted last December.

4. Uganda

The chances of an early challenge to Prime Minister Obote's power grab last Tuesday seem to have faded. Brigadier Opoloto, the ousted army commander around whom opposition could have coalesced, has now publicly affirmed his loyalty to Obote. The prime minister has also sought to assure President Mutesa's followers that Mutesa's hereditary leadership of the country's most powerful tribe will not be threatened.

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RHODESIA



5. Rhodesia

The Smith regime may shortly achieve a major breakthrough over the oil embargo. The company which operates the pipeline through Mozambique may soon have to honor its commitment to pump oil from ships at Beira to Rhodesia's Umtali refinery (see map).

So far, Britain has managed to discourage deliveries of oil for Rhodesia to Beira, but [redacted] 50X1

[redacted] "pirate" oil companies are prepared to defy the British. One tanker load could extend Rhodesia's oil stocks through mid-July. 50X1

6. Dominican Republic

Garcia Godoy is backing away from the compromise plan for solving the impasse over the army and air force chiefs. He told Ambassador Bunker late yesterday that his soundings had indicated that implementation of the plan might provoke further agitation and disorder.

There was, in fact, growing tension in Santo Domingo yesterday as word of the compromise formula got around. [redacted] 50X1

[redacted] the strike machinery was being cranked up again to protest the planned "promotion" of the two chiefs to staff positions, even though those positions would carry no command responsibilities. 50X1

Garcia Godoy evidently now plans another effort to effect the retirement of the two chiefs. His backdown on the compromise plan, however, will make it harder for him to obtain the necessary backing from the defense minister and other ranking officers.

7. Guatemala

The national elections are still set for a week from tomorrow. The atmosphere seems relatively calm, but both the rightist and the moderate leftist opposition groups are hammering away on the theme that the government intends to rig the vote in favor of its own lackluster candidate. No matter how the election comes out, it is almost certain to set the stage for a new period of political tension.

Communists and other extremists expect to capitalize on the situation by creating incidents in the wake of the elections.

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